



**OXY USA WTP Limited Partnership / OXY USA INC /
OCCIDENTAL PERMIAN LTD**
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.497.2203
Eric_Fortier@oxy.com

March 13, 2024

Re: APPLICATION FOR POOL LEASE COMMINGLE & OFF-LEASE MEASUREMENT,
STORAGE AND SALES
Oil Commingling proposal for the Regal Lager Wells at Lost Tank 5 CPF Train #2 in Lea
County, NM

Dear Interest Owner:

This is to advise you that OXY USA INC is filing a surface commingle permit for oil production for the Regal Lager wells at the Lost Tank CPF Train #2. A copy of the application submitted to the Division is attached. This request also includes future wells within the same pools and leases/CAs of wells listed in the attached application.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

For questions regarding this application, please contact Eric Fortier at (713) 497-2203.

Respectfully,

A handwritten signature in black ink, appearing to read "Eric Fortier".

OXY USA INC
Eric Fortier
Regulatory Engineer
Eric_Fortier@oxy.com

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY USA INC.

OPERATOR ADDRESS: PO BOX 4294, HOUSTON, TX, 77210

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ FederalIs this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
SEE ATTACHED					

(2) Are any wells producing at top allowables? ☐ Yes ☒ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.(4) Measurement type: ☐ Metering ☒ Other (Specify) ALLOCATION BY WELL TEST(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No(4) Measurement type: ☐ Metering ☐ Other (Specify)**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Eric Fortier TITLE: REGULATORY ENGINEER DATE: 3/13/2024

TYPE OR PRINT NAME ERIC FORTIER TELEPHONE NO.: 713-497-2203

E-MAIL ADDRESS: ERIC_FORTIER@OXY.COM

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: OXY USA INC. **OGRID Number:** 16696
Well Name: REGAL LAGER 31 19 FEDERAL COM #034H & OTHERS **API:** 30-025-52491 & OTHERS
Pool: WC-025 G-09 S213232A;UPR WOLFCAMP & OTHERS **Pool Code:** 98313 & OTHERS

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Eric Fortier

Print or Type Name

Signature

03/13/2024

Date

713-497-2203

Phone Number

Eric_Fortier@oxy.com

e-mail Address

APPLICATION FOR POOL AND LEASE COMMINGLING, OFF-LEASE STORAGE, MEASUREMENT, AND SALES COMMINGLING PROPOSAL FOR OIL PRODUCTION AT THE LOST TANK 5 CPF Train #2

OXY USA INC requests approval of pool and lease commingling, off-lease measurement, storage and sales for oil production from the wells listed below at the Lost Tank 5 CPF Train #2 (F-05-T22S-R32E). The wells feeding the train are listed below. *This request also includes future wells within the same pools and leases/PAs of wells listed below.*

Wells to be included in Lost Tank 5 CPF Train #2

POOLS: WC-025 G-09 S213232A; UPR WOLFCAMP (98313)

Comm Agreement Pending (E/2 Wolfcamp)

100% BLM Royalty of 12.5% (NMNM 014331, NMNM 031375, NMNM 104764, NMNM 042814)

Well Name	API	Surface Location	Pool	POOL CODE	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
REGAL LAGER 31 19 FEDERAL COM #034H	30-025-52491	A-6-22S-32E	WC-025 G-09 S213232A;UPR WOLFCAMP	98313	6/20/2024	1480.87	43	4007.23	1300	3322.96
REGAL LAGER 31 19 FEDERAL COM #035H	30-025-52492	A-6-22S-32E	WC-025 G-09 S213232A;UPR WOLFCAMP	98313	6/20/2024	1480.87	43	4007.23	1300	3322.96
REGAL LAGER 31 19 FEDERAL COM #036H	30-025-52493	A-6-22S-32E	WC-025 G-09 S213232A;UPR WOLFCAMP	98313	6/20/2024	1392.02	43	3766.80	1300	3123.58

POOLS: WC-025 G-09 S213232A; UPR WOLFCAMP (98313)

Comm Agreement Pending (W/2 Wolfcamp)

100% BLM Royalty of 12.5% (NMNM 014331, NMNM 031375, NMNM 131587, NMNM 109757)

Well Name	API	Surface Location	Pool	POOL CODE	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
REGAL LAGER 31 19 FEDERAL COM #031H	30-025-52488	N-31-21S-32E	WC-025 G-09 S213232A;UPR WOLFCAMP	98313	6/21/2024	1569.73	43	4283.00	1300	3522.33
REGAL LAGER 31 19 FEDERAL COM #032H	30-025-52489	N-31-21S-32E	WC-025 G-09 S213232A;UPR WOLFCAMP	98313	6/21/2024	1569.73	43	4283.00	1300	3522.33
REGAL LAGER 31 19 FEDERAL COM #033H	30-025-52490	N-31-21S-32E	WC-025 G-09 S213232A;UPR WOLFCAMP	98313	6/21/2024	1480.87	43	4040.56	1300	3322.96

POOLS: BILBREY BASIN; BONE SPRING (5695)

Comm Agreement Pending (W/2 W/2 Bonespring)

100% BLM Royalty of 12.5% (NMNM 014331, NMNM 031375, NMNM 131587, NMNM 109757)

Well Name	API	Surface Location	Pool	POOL CODE	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
REGAL LAGER 31 19 FEDERAL COM #071H	Pending	N-31-21S-32E	BILBREY BASIN;BONE SPRING	5695	3/2/2026	1013.76	43	3421.57	1300	1124.16

POOLS: BILBREY BASIN; BONE SPRING (5695)

Comm Agreement Pending (W/2 E/2 Bonespring)

100% BLM Royalty of 12.5% (NMNM 014331, NMNM 031375, NMNM 131587, NMNM 109757)

Well Name	API	Surface Location	Pool	POOL CODE	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
REGAL LAGER 31 19 FEDERAL COM #072H	30-025-52513	N-31-21S-32E	BILBREY BASIN;BONE SPRING	5695	3/2/2026	1013.76	43	3421.57	1300	1124.16

POOLS: BILBREY BASIN; BONE SPRING (5695)

Comm Agreement Pending (E/2 W/2 Bonespring)

100% BLM Royalty of 12.5% (NMNM 014331, NMNM 031375, NMNM 104764, NMNM 042814)

Well Name	API	Surface Location	Pool	POOL CODE	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
REGAL LAGER 31 19 FEDERAL COM #073H	30-025-52514	A-6-22S-32E	BILBREY BASIN;BONE SPRING	5695	3/2/2026	1013.76	43	3421.57	1300	1124.16

POOLS: BILBREY BASIN; BONE SPRING (5695)

Comm Agreement Pending (E/2 E/2 Bonespring)

100% BLM Royalty of 12.5% (NMNM 014331, NMNM 031375, NMNM 104764, NMNM 042814)

Well Name	API	Surface Location	Pool	POOL CODE	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
REGAL LAGER 31 19 FEDERAL COM #074H	30-025-52515	A-6-22S-32E	BILBREY BASIN;BONE SPRING	5695	3/2/2026	1013.76	43	3421.57	1300	1124.16

Process Description:

Production is sent through a 10' X 40' three-phase production separator. Oil production flows through an economizer then to a heat exchanger before being sent to a VRT. Oil is then pumped through one of three LACT meters, which will serve as the FMPs for BLM royalty payments and OXY's sales point. A truck load FMP will be set up at the Facility for use as back-up in the event of a LACT meter failure.

Oil and gas production will be allocated back to each well based on well test. For testing purposes, the Facility will be equipped with three permanent 6' x 20' three-phase test separators. Each test vessel will be equipped with oil turbine meters, gas orifice meters and water turbine meters.

All wells will be tested daily prior to Range 1 of decline and will be tested at least three times per month during Range 1 of decline. When Range 2 decline is started, the wells will be tested at least twice per month. Wells will be tested at least once per month when Range 3 of decline is started.

Gas production is measured at the orifice meters off the production and test separators and is allocated back to the wells using the aforementioned well testing guidelines. These meters serve as the BLM gas FMPs for the purpose of BLM royalty payment, and then sent to sales. Gas production will be handled through a separate application.

All water from the Lost Tank 5 CPF Train #2 will be sent to the Lost Tank Water Disposal System.

Additional Application Components:

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

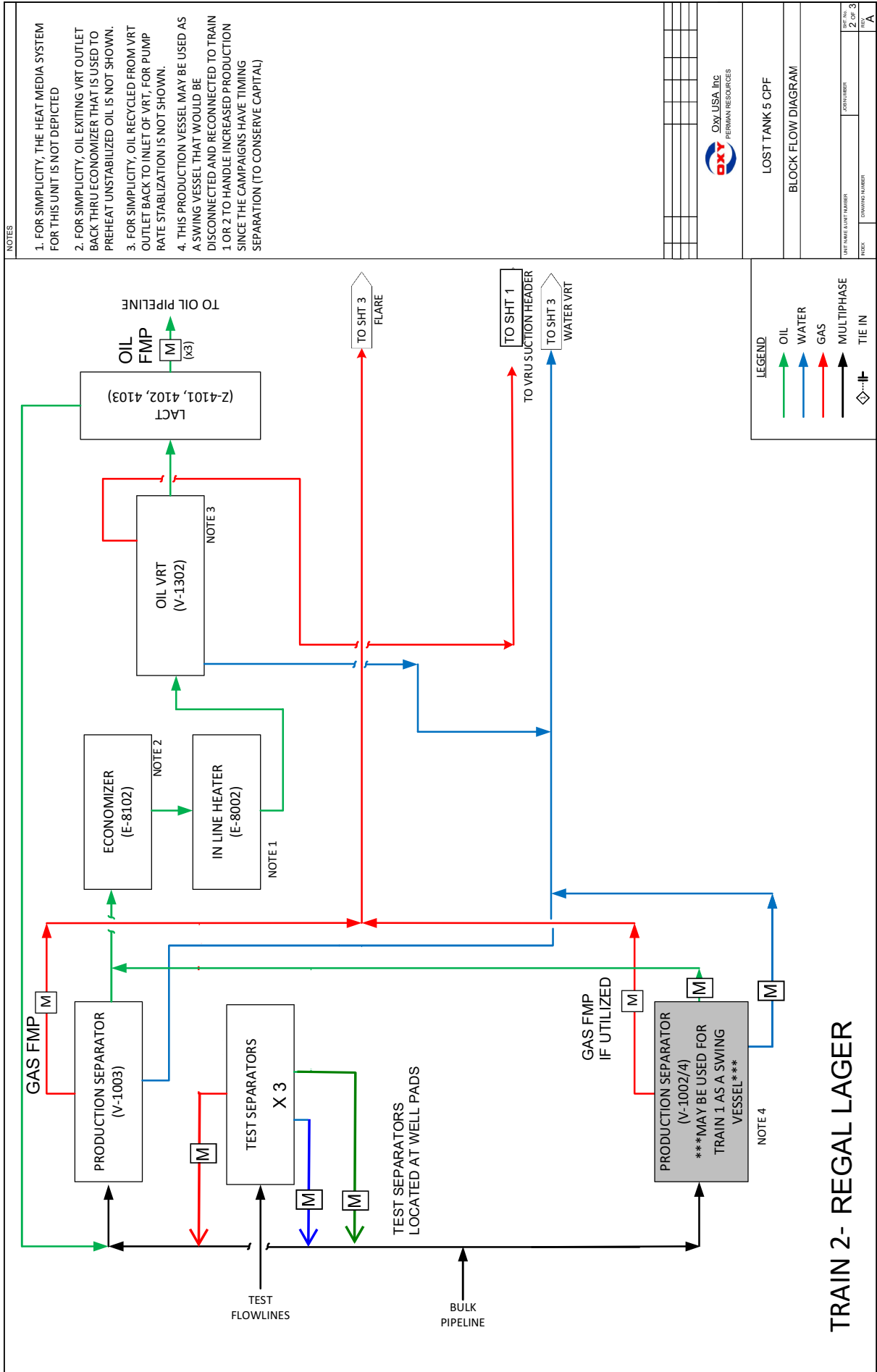
The oil and gas meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves. The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

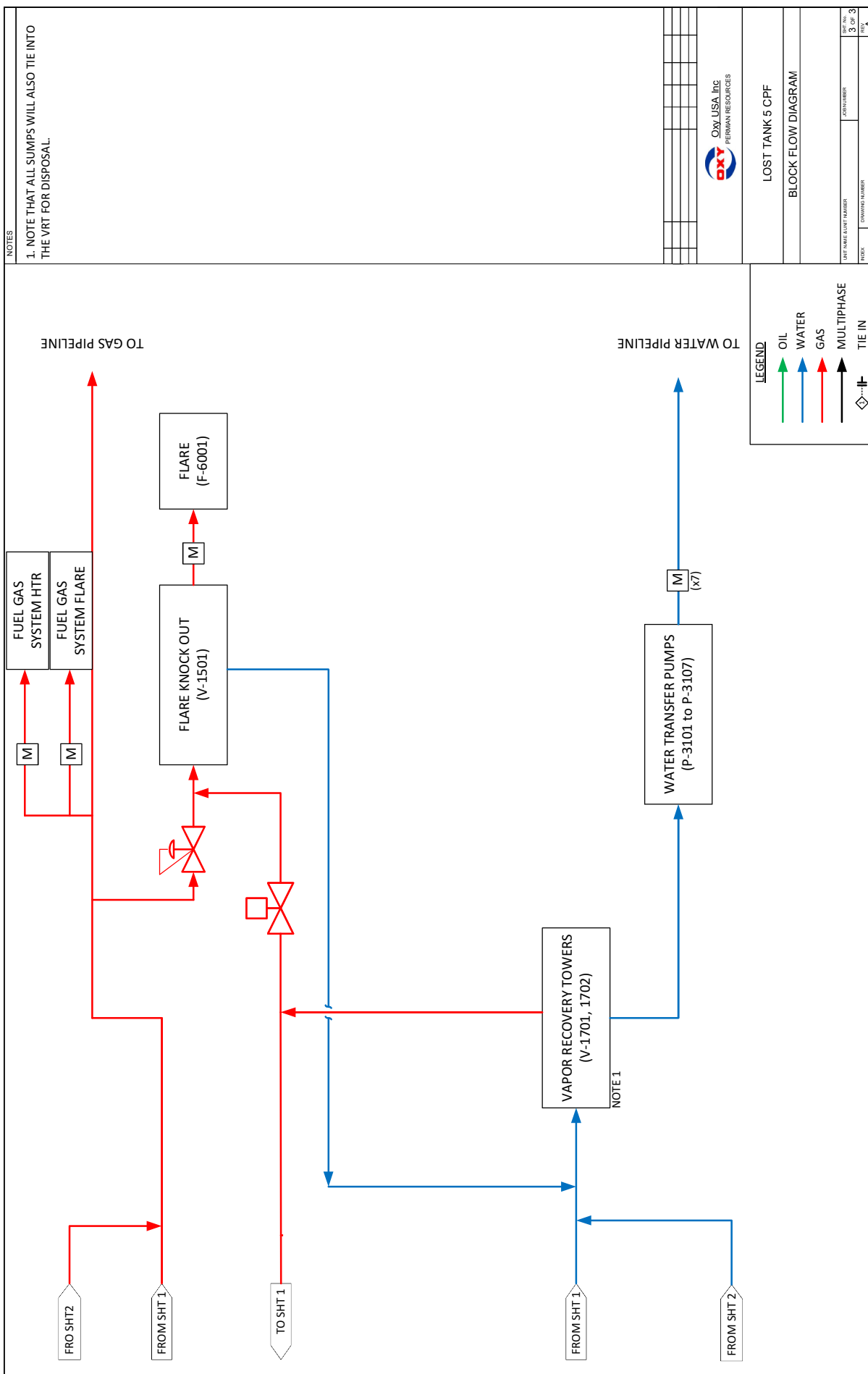
OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.



SHEET 2



SHEET 3



State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

¹ API Number 30-025- 30-025-52488		² Pool Code 98313	³ Pool Name WC-025 G-09 S213232A, UPR WOLFCAMP	
⁴ Property Code 335225	⁵ Property Name REGAL LAGER 31 19 FED COM			⁶ Well Number 31H
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC.			⁹ Elevation 3623'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	21S	32E		304	South	2599	West	LEA

UL or lot no. L 1	Section 19	Township 21S	Range 32E	Lot Idn	Feet from the 20	North/South line North	Feet from the 440	East/West line West	County LEA
¹² Dedicated Acres 1002.32		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Roni Mathew 5/15/23
Signature Date
Roni Mathew
Printed Name
roni_mathew@oxy.com
E-mail Address

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Lloyd P. Short
Date of Survey: MAY 9, 2023
Signature and Seal of Professional Surveyor:

LLOYD P. SHORT
NEW MEXICO
21653
PROFESSIONAL SURVEYOR

*FTP TO LTP LINE BEARINGS

PRODUCTION LINE	BEARING/LENGTH
L1	N00°18'36"W ~ 15647.68'

**CORNER COORDINATES
NAD 83, SPCS NM EAST**
A - X: 729645.97' / Y: 525178.33'
B - X: 729617.03' / Y: 530462.92'
C - X: 729587.64' / Y: 535744.60'
D - X: 732329.68' / Y: 535771.80'
E - X: 732373.28' / Y: 530496.94'
F - X: 732394.30' / Y: 525207.68'
G - X: 732437.70' / Y: 519924.46'
H - X: 729673.35' / Y: 519897.17'

**CORNER COORDINATES
NAD 27, SPCS NM EAST**
A - X: 688464.20' / Y: 525117.35'
B - X: 688435.41' / Y: 530401.80'
C - X: 688406.18' / Y: 535683.34'
D - X: 691148.19' / Y: 535710.53'
E - X: 691191.64' / Y: 530435.81'
F - X: 691212.51' / Y: 525146.69'
G - X: 691255.76' / Y: 519863.61'
H - X: 688491.43' / Y: 519836.33'

Roni Mathew 5/15/23
Signature Date
Roni Mathew
Printed Name
roni_mathew@oxy.com
E-mail Address

Date of Survey: **MAY 9, 2023**
Signature and Seal of Professional Surveyor:



*FTP TO LTP LINE BEARINGS

PRODUCTION LINE	BEARING/LENGTH
L1	N00°18'36"W ~ 15647.68'

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FEDERAL LEASE ID	LENGTH
NMNM109757	2540.67'
NMNM131587	2640.91'
NMNM014331	7826.39'
NMNM031375	2639.71'
TOTAL	15647.68'

 Drill Line Events
 Corners
 Drill Line
 Dimension Lines
 Federal Leases
 HSU

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977642 Convergence Angle: 00°19'39.03"

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

¹ API Number 30-025- 30-025-52489		² Pool Code 98313	³ Pool Name WC-025 G-09 S213232A, UPR WOLFCAMP	
⁴ Property Code 335225	⁵ Property Name REGAL LAGER 31 19 FED COM			⁶ Well Number 32H
⁸ OGRID No. 16696	⁹ Operator Name OXY USA INC.			⁷ Elevation 3624'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	21S	32E		303	South	2629	West	LEA

UL or lot no. L 1	Section 19	Township 21S	Range 32E	Lot Idn	Feet from the 20	North/South line North	Feet from the 1255	East/West line West	County LEA
¹² Dedicated Acres 1002.32		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

FEDERAL LEASE ID **LENGTH**

NMNM109757	2540.79'
NMNM131587	2641.45'
NMNM014331	7827.95'
NMNM031375	2637.53'
TOTAL	15647.72'

Drill Line Events **Corners** **Drill Line** **Dimension Lines** **Federal Leases** **HSU**

All bearings and coordinates refer to New Mexico State Plane coordinate system, East Zone, U.S. Survey Feet.

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Roni Mathiew 5/15/23
Signature Date
Roni Mathiew
Printed Name
roni_mathiew@oxy.com
E-mail Address

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

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Released to Imaging: 5/30/2024 5:05:31 PM

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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⁷ OGRID No. 16696		⁸ Operator Name OXY USA INC.			⁹ Elevation 3623'

UL or lot no. N	Section 31	Township 21S	Range 32E	Lot Idn	Feet from the 303	North/South line South	Feet from the 2659	East/West line West	County LEA
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UL or lot no. C	Section 19	Township 21S	Range 32E	Lot Idn	Feet from the 20	North/South line North	Feet from the 2180	East/West line West	County LEA
¹² Dedicated Acres 1,002.32		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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Roni Mathew 5/15/23
Signature Date
Roni Mathew
Printed Name
roni_mathew@oxy.com
E-mail Address

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FEDERAL LEASE ID	LENGTH
NMNM109757	2540.92'
NMNM131587	2642.06'
NMNM014331	7829.71'
NMNM031375	2635.07'
TOTAL	15647.76'

○ Drill Line Events ● Corners — Drill Line — Dimension Lines ■ Federal Leases ■ HSU

All bearings and coordinates refer to New Mexico State Plane coordinate system, East Zone, U.S. Survey Feet.

SHEET 1 OF 1
JOB No. OXY_0007_RL_10019
REV 1 TCS 5/8/2023

Released to Imaging: 5/30/2024 5:05:31PM

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

AMENDED REPORT

¹ API Number 30-025- 30-025-52491		² Pool Code 98313	³ Pool Name WC-025 G-09 S213232A, UPR WOLFCAMP	
⁴ Property Code 335225	⁵ Property Name REGAL LAGER 31 19 FED COM			⁶ Well Number 34H
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC.			⁹ Elevation 3634'

UL or lot no. L 1	Section 6	Township 22S	Range 32E	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
					889	North	887	East	LEA

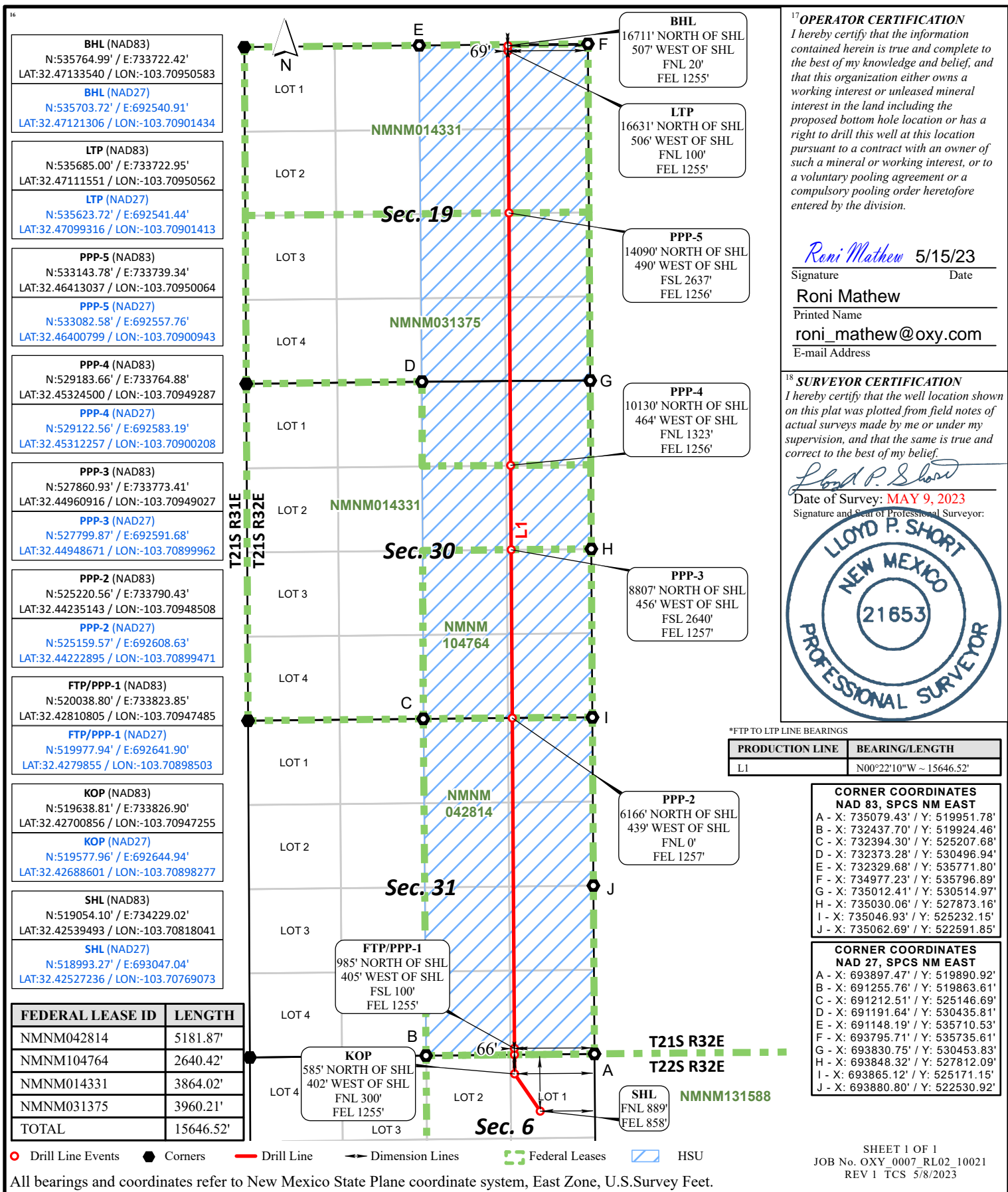
UL or lot no. B	Section 19	Township 21S	Range 32E	Lot Idn	Feet from the 20	North/South line North	Feet from the 2180	East/West line East	County LEA
¹² Dedicated Acres 960.00		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

¹⁰ Surface Location¹¹ Bottom Hole Location If Different From Surface

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977642 Convergence Angle: 00°19'39.03"

Released to Imaging: 5/30/2024 5:05:31 PM

Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

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District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Artesia, NM 87411
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St. Francis Dr. Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-	² Pool Code 5695	³ Pool Name BILBREY BASIN, BONE SPRING
⁴ Property Code 16696	⁵ Property Name REGAL LAGER 31 19 FED COM	⁶ Well Number 71H
	⁷ Operator Name OXY USA INC.	⁸ Elevation 3624'

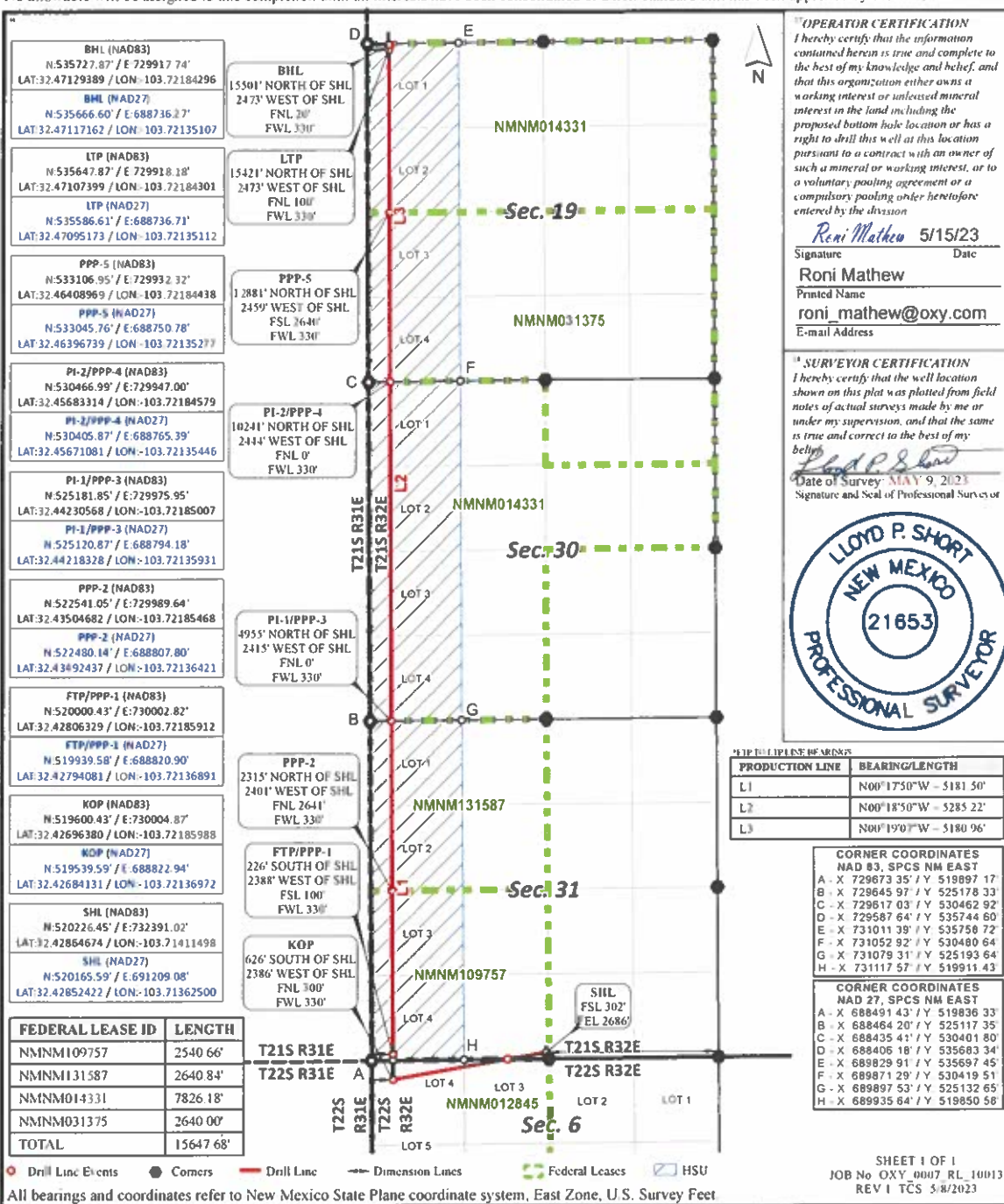
¹⁰ Surface Location

T. or lot no.	Section	Township	Range	East 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	31	21S	32E		302	South	2686	East	LEA

¹¹ Bottom Hole Location If Different From Surface

T. or lot no.	Section	Township	Range	East 1/4	Feet from the	North/South line	Feet from the	East/West line	County
L 1	19	21S	32E		20	North	330	West	LEA
¹² Dedicated Acres 522.32		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



SHEET 1 OF 1
JOB No OXY 0007 RL 10013
REV 1 TCS 5/8/2023

Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

Released to Imaging: 5/30/2024 5:05:31 PM

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACERAGE DEDICATION PLAT			
¹ API Number 30-025-52514		² Pool Code 5695	³ Pool Name BILBREY BASIN, BONE SPRING
⁴ Property Code 335225	⁵ Property Name REGAL LAGER 31_19 FED COM		⁶ Well Number 73H
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC.		⁹ Elevation 3633'

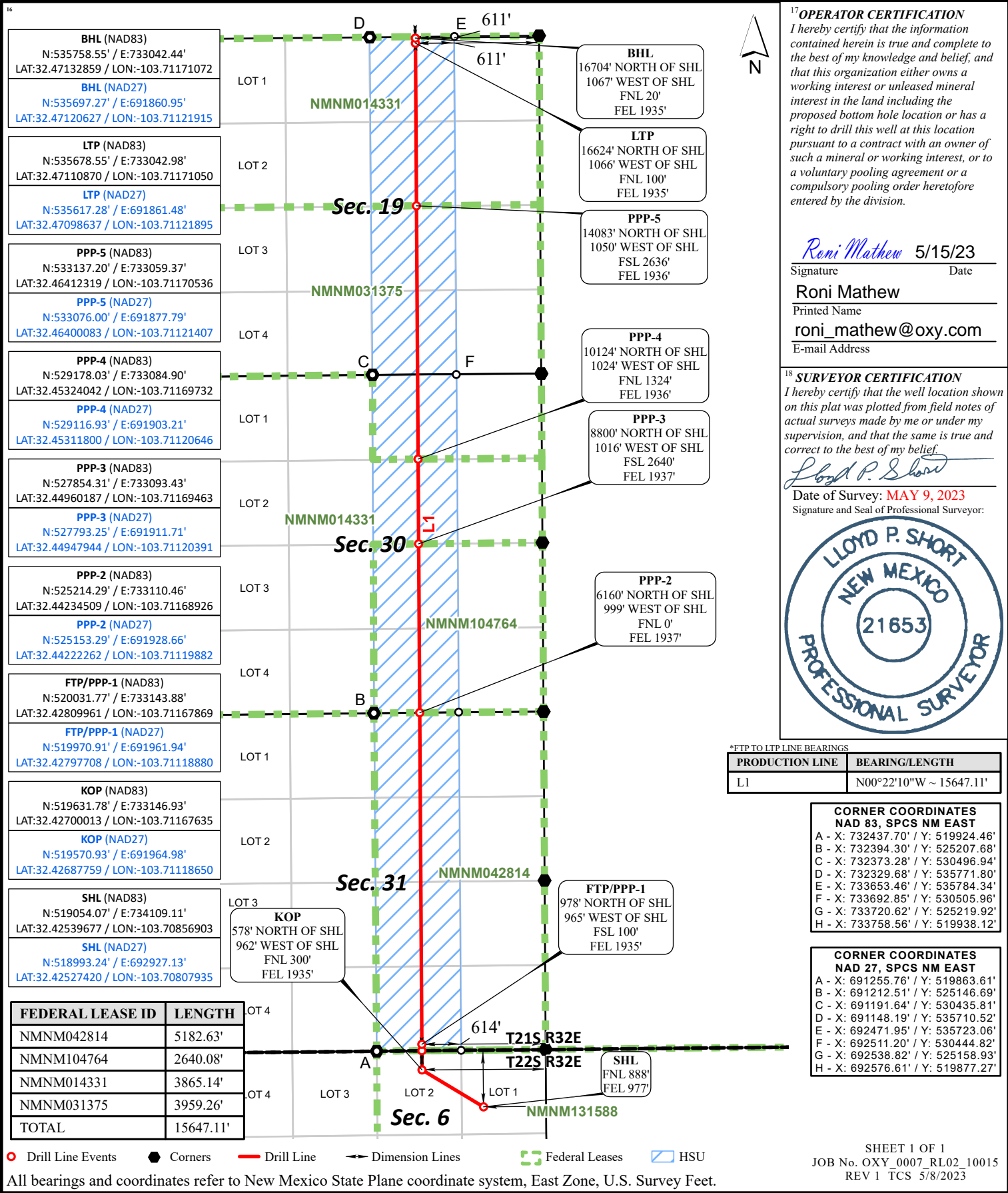
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L 1	6	22S	32E		888	North	977	East	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	21S	32E		20	North	1935	East	LEA
¹² Dedicated Acres 480.00		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

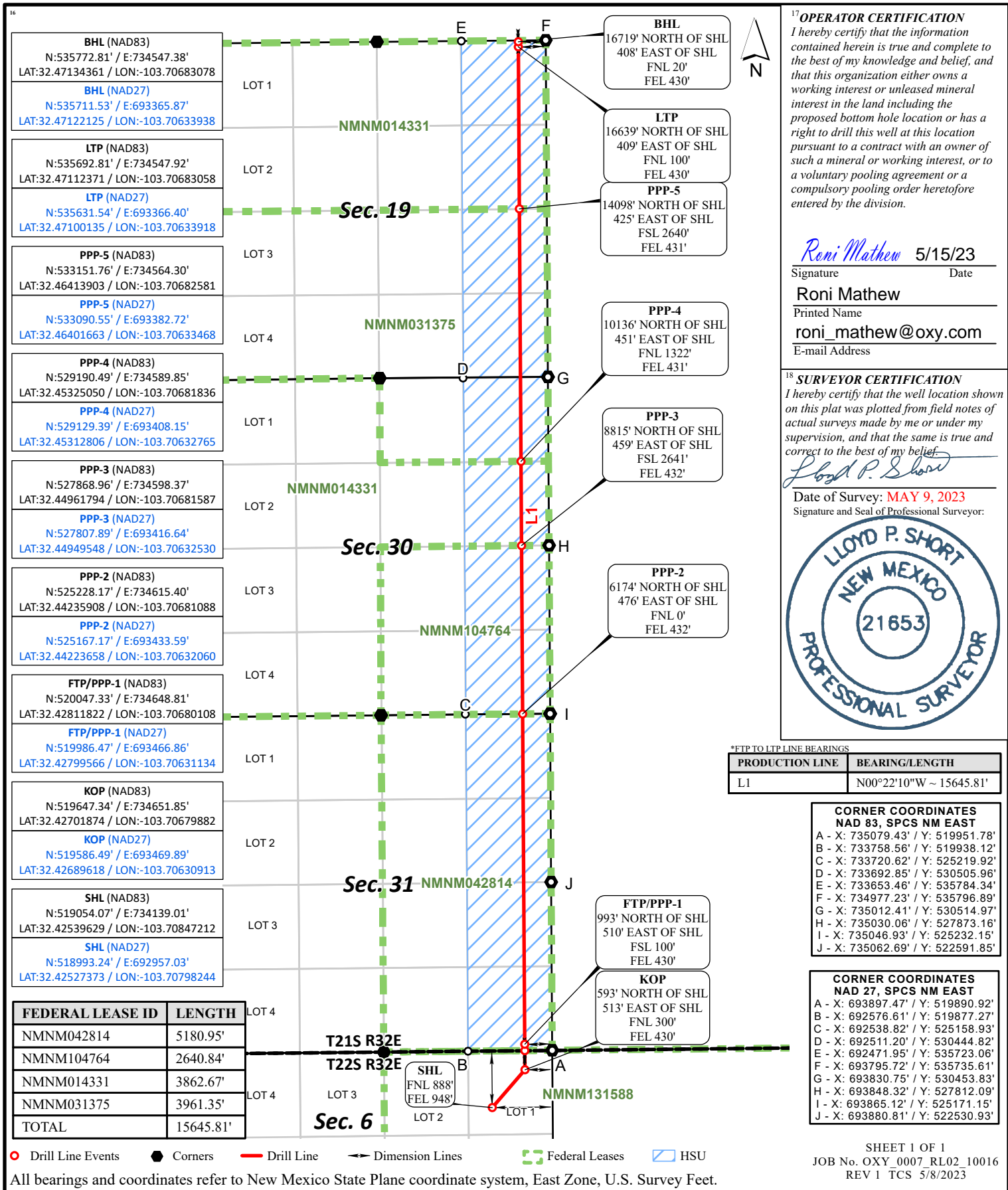


Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

¹⁰ Surface Location¹¹ Bottom Hole Location If Different From Surface

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



MAILED ON 3/13/2024

To Company Name	To Name	To Address Line 1	To City	To State	To ZIP	PIC
Trustee of Leslie Honeyman Trust	Galley NM Assets LLC	5909 WEST LOOP S STE 520	BELLAIRE	TX	77401	_9414811898765407421247
	UTI Energy Corporation	16800 Greenspoint Park STE 225N	Houston	TX	77060	_9414811898765407421285
	Beverly Jean Renfro Barr	8027 CHALK KNOLL DR	AUSTIN	TX	78735	_9414811898765407421230
	Cynthia Mae Wilson	11644 BLALOCK LN	HOUSTON	TX	77024	_9414811898765407421278
	Blue Ridge Royalties LLC	PO BOX 1973	ROSWELL	NM	88202	_9414811898765407421810
	LaNell Joy Honeyman	406 SKYWOOD CIRCLE	MIDLAND	TX	79705	_9414811898765407421865
	TD Minerals LLC	8111 WESTCHESTER STE 900	DALLAS	TX	75225	_9414811898765407421827
	KMF Land LLC	1401 LAWRENCE STREET STE 1750	DENVER	CO	80202	_9414811898765407421803
	Blue Star Royalty LLC	PO BOX 470249	FORT WORTH	TX	76147	_9414811898765407421896
	Bryan Bell Family LLC	P O BOX 24591	NEW ORLEANS	LA	70184	_9414811898765407421889
Trustee of the Robert N Enfield Trust B	Wells Fargo Bank National Association	201 MAIN ST	FORT WORTH	TX	76102	_9414811898765407421834
	MerPel LLC	855 TEXAS ST NO 100	FORT WORTH	TX	76102	_9414811898765407421872
	Pegasus Resources II LLC	PO BOX 731077	FORT WORTH	TX	75373	_9414811898765407421759
	MLE LLC	P O BOX 1683	SANTA FE	NM	87504	_9414811898765407421766
	M Brad Bennett	PO BOX 51510	MIDLAND	TX	79710	_9414811898765407421704
	Soan Holdings LLC	PO BOX 50530	AUSTIN	TX	78763	_9414811898765407421780
	DMA Inc	PO BOX 2495	ODESSA	TX	79760	_9414811898765407421773
	Charmar LLC	4815 VISTA DEL OSO COURT NE	ALBUQUERQUE	NM	87109	_9414811898765407421957
	Richard C Deason	1301 N HAVENHURST DR NO 217	WEST HOLLYWOOD	CA	90046	_9414811898765407421926
	Thomas D Deason	5016 92ND STREET	LUBBOCK	TX	79424	_9414811898765407421995
	SAP LLC	4901 WHITNEY LANE	ROSWELL	NM	88203	_9414811898765407421988
	Ronald H Mayer	PO BOX 2391	ROSWELL	NM	88202	_9414811898765407421612
	ConocoPhillips Company	600 W Illinois Avenue	MIDLAND	TX	79701	_9414811898765407421650
	Daryn J Deck	4808 NORTH MICHIGAN AVENUE	ROSWELL	NM	88201	_9414811898765407421667
	Charni L Durham	102 NOGAL PLACE	RUIDOSO	NM	88345	_9414811898765407421605
	Hayes Land LP	PO BOX 51510	MIDLAND	TX	79710	_9414811898765407421698
	Rolla R Hinkle III	PO BOX 59	ROSWELL	NM	88201	_9414811898765407421681
	Rolla R Hinkle III	PO BOX 2292	ROSWELL	NM	88202	_9414811898765407421636
	Patterson-UTI Energy Inc	PO DRAWER 1416	SNYDER	TX	79550	_9414811898765407421674
	Beverly Jean Renfro Barr	8027 CHALK KNOLL DR	AUSTIN	TX	78735	_9414811898765407421117
	Cynthia Mae Wilson	4601 MIRADOR DRIVE	AUSTIN	TX	78735	_9414811898765407421155
	Blasco LLC	6235 SAVANNAH WAY	COLORADO SPRINGS	CO	80919	_9414811898765407421162
	Christopher R F Eckels	PO BOX 30	CEDAREIDGE	CO	81413	_9414811898765407421100
	Robert Edward Eckels Jr LLC	PO BOX 1093	CEDAREIDGE	CO	81413	_9414811898765407421148
	Jan C Ice	POST OFFICE BOX 7366	KENT	WA	98042	_9414811898765407421131
	Elizabeth Jane Kay	POST OFFICE BOX 9602	COLORADO SPRINGS	CO	80932	_9414811898765407421315
	C Richard Hoyt	13048 S W ALLEN BLVD	BEAVERTON	OR	97005	_9414811898765407421322
	Cascade Oil & Gas Inc	PO BOX 125	BROOMFIELD	CO	80020	_9414811898765407421391
	Fasken Acquisitions 02 Ltd	6101 Holiday Hill Road	MIDLAND	TX	79707	_9414811898765407421384

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
March 10, 2024
and ending with the issue dated
March 10, 2024.


Publisher

Sworn and subscribed to before me this
10th day of March 2024.


Business Manager

My commission expires

January 29, 2027

(Seal) **STATE OF NEW MEXICO**
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL	LEGAL
LEGAL NOTICE March 10, 2024	
<u>Notice of Application for Surface Commingling</u>	
OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit for oil production at the Lost Tank 5 Facility Train #2. The facility is located in Lea County in Section 5 in T22S-R32E. Wells going to this battery are located in Sections 19, 30, and 31 in T22S-R32E. Production is from the Bilbrey Basin; Bone Spring and WC-025 G-09 S213232A; UPR Wolfcamp pools.	
Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application.	
For questions pertaining to the application, please contact Eric Fortier at (713) 497-2203. #00288251	

67111848

00288251

TALENT ACQUISITION
OCCIDENTAL PERMIAN
5 GREENWAY PLAZA, STE 110
HOUSTON, TX 77046

Regal Lager 31 19 Fed Com 3H

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of May, 2025 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South, Range 32 East, N.M.P.M.**W/2 E/2 of Sections 19, 30 and 31, Lea County, New Mexico**

Containing **480.00** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

Regal Lager 31 19 Fed Com 3H

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is May 1, 2025, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

Regal Lager 31 19 Fed Com 3H

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.

Operator

By: _____
Operator/Attorney-in-Fact

Date

Regal Lager 31 19 Fed Com 3H

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 3H

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

OXY USA INC.

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**, a
Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 3H

OXY USA WTP LIMITED PARTNERSHIP

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20_____, by _____, ATTORNEY-IN-FACT of **OXY USA WTP LIMITED PARTNERSHIP**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 3H

OXY Y-1 COMPANY

Date

By: _____

Name: _____

Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)

)

COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY Y-1**
COMPANY, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

CONOCOPHILLIPS CO

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

CORDILLERA ENERGY PARTNERS II LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

FASKEN ACQUISITIONS 02 LTD

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

VINCERO RESOURCES LTD

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

CHI ENERGY INC

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

PALADIN ENERGY CORP

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

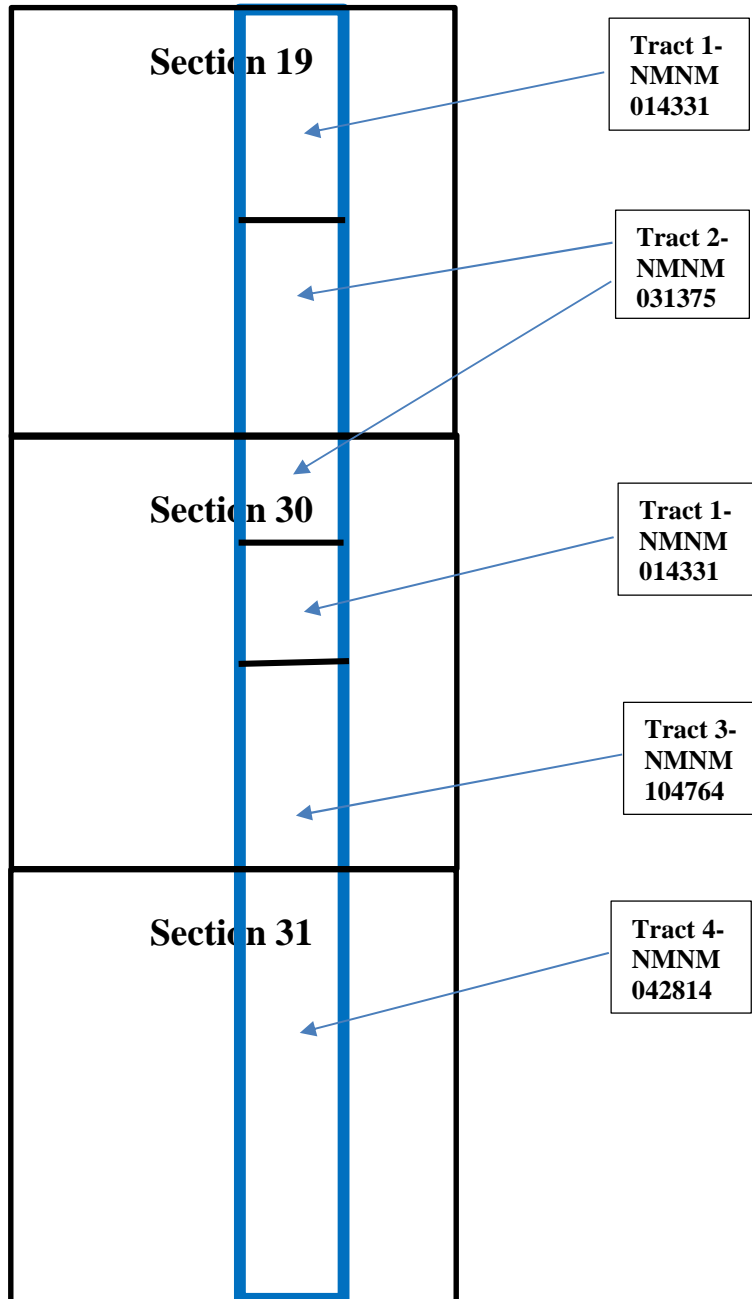
Regal Lager 31 19 Fed Com 3H

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated May 1, 2025

Plat of communitized area covering **480.00** acres in the **W/2 E/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Regal Lager 31 19 Fed Com 3H



Regal Lager 31 19 Fed Com 3H

EXHIBIT "B"

To Communitization Agreement Dated May 1, 2025 embracing the following described land in **the W/2 E/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: NMNM 014331

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: W/2 NE/4
Section 30: SW/4 NE/4

Number of Acres: 120.00

Current Lessee of Record: CONOCOPHILLIPS CO

Name of Working Interest Owners: OXY USA WTP LIMITED
PARTNERSHIP - 24.8550%
OXY USA INC. - 75.1450%

Tract No. 2

Lease Serial Number: NMNM 031375

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: W/2 SE/4
Section 30: NW/4 NE/4

Number of Acres: 120.00

Current Lessee of Record: CORDILLERA ENERGY PARTNERS II
LLC
PALADIN ENERGY CORP
FASKEN ACQUISITIONS 02 LTD
VINCERO RESOURCES LTD

Regal Lager 31 19 Fed Com 3H

Name of Working Interest Owners: FASKEN ACQUISITIONS 02, LTD - 100%

Tract No. 3

Lease Serial Number: NMNM 104764

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 30: W/2 SE/4

Number of Acres: 80.00

Current Lessee of Record: CHI ENERGY INC.

Name of Working Interest Owners: OXY USA INC. - 32.311504%
OXY Y-1 COMPANY - 66.179258%
OXY USA WTP LIMITED
PARTNERSHIP - 1.509238%

Tract No. 4

Lease Serial Number: NMNM 042814

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: W/2 E/2

Number of Acres: 160.00

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 100.0%

Regal Lager 31 19 Fed Com 3H

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120.00	25.0000%
2	120.00	25.0000%
3	80.00	16.6667%
4	160.00	33.3333%
Total	480.00	100.000%

Regal Lager 31 19 Fed Com 1H

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of May, 2025 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South, Range 32 East, N.M.P.M.**W/2 W/2 of Sections 19, 30 and 31, Lea County, New Mexico**

Containing **522.32** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

Regal Lager 31 19 Fed Com 1H

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is May 1, 2025, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

Regal Lager 31 19 Fed Com 1H

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.

Operator

By:

Operator/Attorney-in-Fact

Date

Regal Lager 31 19 Fed Com 1H

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 1H

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

OXY USA INC.

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 1H

OXY USA WTP LIMITED PARTNERSHIP

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20_____, by _____, ATTORNEY-IN-FACT of **OXY USA WTP LIMITED PARTNERSHIP**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 1H

OXY Y-1 COMPANY

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY Y-1**
COMPANY, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

CONOCOPHILLIPS CO

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

FASKEN ACQUISITIONS 02 LTD

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

VINCERO RESOURCES LTD

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

PALADIN ENERGY CORP

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

Regal Lager 31 19 Fed Com 1H

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated May 1, 2025.

Plat of communitized area covering **522.32** acres in **the W/2 W/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Regal Lager 31 19 Fed Com 1H

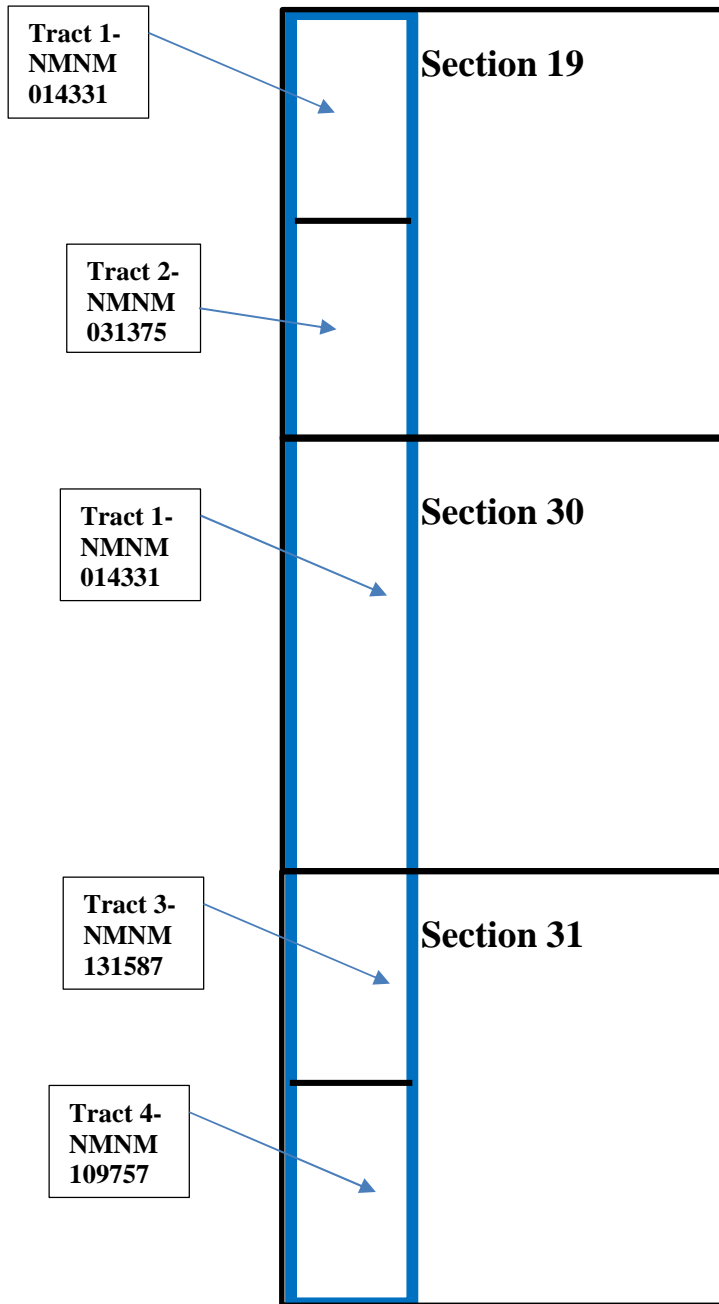


EXHIBIT “B”

To Communitization Agreement Dated May 1, 2025 embracing the following described land in **the W/2 W/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 014331

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: Lots 1, 2
Section 30: Lots 1 – 4

Number of Acres: 260.75

Current Lessee of Record: CONOCOPHILLIPS CO

Name of Working Interest Owners: OXY USA WTP LIMITED
PARTNERSHIP - 24.8550%
OXY USA INC. - 75.1450%

Tract No. 2

Lease Serial Number: NMNM 031375

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: Lots 3, 4

Number of Acres: 86.85

Current Lessee of Record: CORDILLERA ENERGY PARTNERS II
LLC
PALADIN ENERGY CORP
FASKEN ACQUISITIONS 02 LTD
VINCERO RESOURCES LTD

Regal Lager 31 19 Fed Com 1H

Name of Working Interest Owners: FASKEN ACQUISITIONS 02, LTD - 100%

Tract No. 3

Lease Serial Number: NMNM 131587

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: Lots 1, 2

Number of Acres: 87.28

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 6.199285%
OXY Y-1 COMPANY - 93.800715%

Tract No. 4

Lease Serial Number: NMNM 109757

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: Lots 3, 4

Number of Acres: 87.44

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 100.0%

Regal Lager 31 19 Fed Com 1H

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	260.75	49.9215%
2	86.85	16.6277%
2	87.28	16.7101%
4	87.44	16.7407%
Total	522.32	100.000%

Regal Lager 31 19 Fed Com 34H

Regal Lager 31 19 Fed Com 35H

Regal Lager 31 19 Fed Com 36H

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of April, 2023 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South, Range 32 East, N.M.P.M.

E/2 of Sections 19, 30 and 31, Lea County, New Mexico

Containing **960.00** acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

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Regal Lager 31 19 Fed Com 35H

Regal Lager 31 19 Fed Com 36H

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

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Regal Lager 31 19 Fed Com 35H

Regal Lager 31 19 Fed Com 36H

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is April 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

Regal Lager 31 19 Fed Com 34H

Regal Lager 31 19 Fed Com 35H

Regal Lager 31 19 Fed Com 36H

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.

Operator

Date

By:

Operator/Attorney-in-Fact

Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20___, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 34H

Regal Lager 31 19 Fed Com 35H

Regal Lager 31 19 Fed Com 36H

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

OXY USA INC.

Date

By: _____

Name: _____

Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)

)

COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**, a
Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H

OXY USA WTP LIMITED PARTNERSHIP

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20_____, by _____, ATTORNEY-IN-FACT of **OXY USA WTP LIMITED PARTNERSHIP**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H

OXY Y-1 COMPANY

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY Y-1**
COMPANY, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Released to Imaging: 5/30/2024 5:05:31 PM

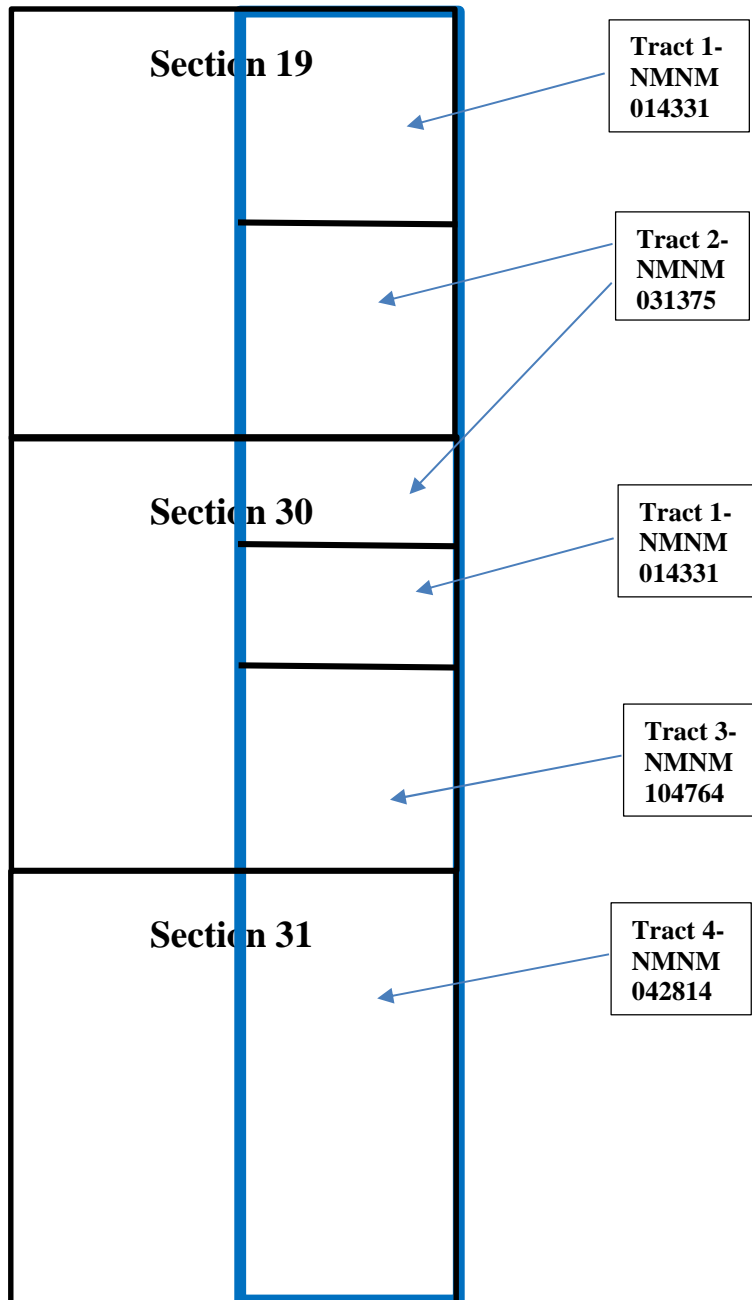
Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated April 1, 2023

Plat of communitized area covering **960.00** acres in **the E/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H



Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H

EXHIBIT "B"

To Communitization Agreement Dated April 1, 2023 embracing the following described
land in **the E/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East**
N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 014331

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: NE/4
Section 30: S/2NE/4

Number of Acres: 240.00

Current Lessee of Record: CONOCOPHILLIPS CO

Name of Working Interest Owners: OXY USA WTP LIMITED
PARTNERSHIP - 24.8550%
OXY USA INC. - 75.1450%

Tract No. 2

Lease Serial Number: NMNM 031375

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: SE/4
Section 30: N/2NE/4

Number of Acres: 240.00

Current Lessee of Record: CORDILLERA ENERGY PARTNERS II
LLC
PALADIN ENERGY CORP
FASKEN ACQUISITIONS 02 LTD
VINCERO RESOURCES LTD

Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H

Name of Working Interest Owners: FASKEN ACQUISITIONS 02, LTD -
100%

Tract No. 3

Lease Serial Number: NMNM 104764

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 30: SE/4

Number of Acres: 160.00

Current Lessee of Record: CHI ENERGY INC.

Name of Working Interest Owners: OXY USA INC. - 32.311504%
OXY Y-1 COMPANY - 66.179258%
OXY USA WTP LIMITED
PARTNERSHIP - 1.509238%

Tract No. 4

Lease Serial Number: NMNM 042814

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: E/2

Number of Acres: 320.00

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 100.0%

Regal Lager 31 19 Fed Com 34H
Regal Lager 31 19 Fed Com 35H
Regal Lager 31 19 Fed Com 36H

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	240.00	25.0000%
2	240.00	25.0000%
3	160.00	16.6667%
4	320.00	33.3333%
Total	960.00	100.000%

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Regal Lager 31 19 Fed Com 33H

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of April, 2023 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South, Range 32 East, N.M.P.M.

W/2 of Sections 19, 30 and 31, Lea County, New Mexico

Containing **1002.32** acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

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2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

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such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is April 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

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successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.

Operator

Date

By: _____
Operator/Attorney-in-Fact

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Regal Lager 31 19 Fed Com 32H
Regal Lager 31 19 Fed Com 33H

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

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Regal Lager 31 19 Fed Com 33H

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

OXY USA INC.

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

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OXY USA WTP LIMITED PARTNERSHIP

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20_____, by _____, ATTORNEY-IN-FACT of **OXY USA WTP LIMITED PARTNERSHIP**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

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OXY Y-1 COMPANY

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY Y-1**
COMPANY, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

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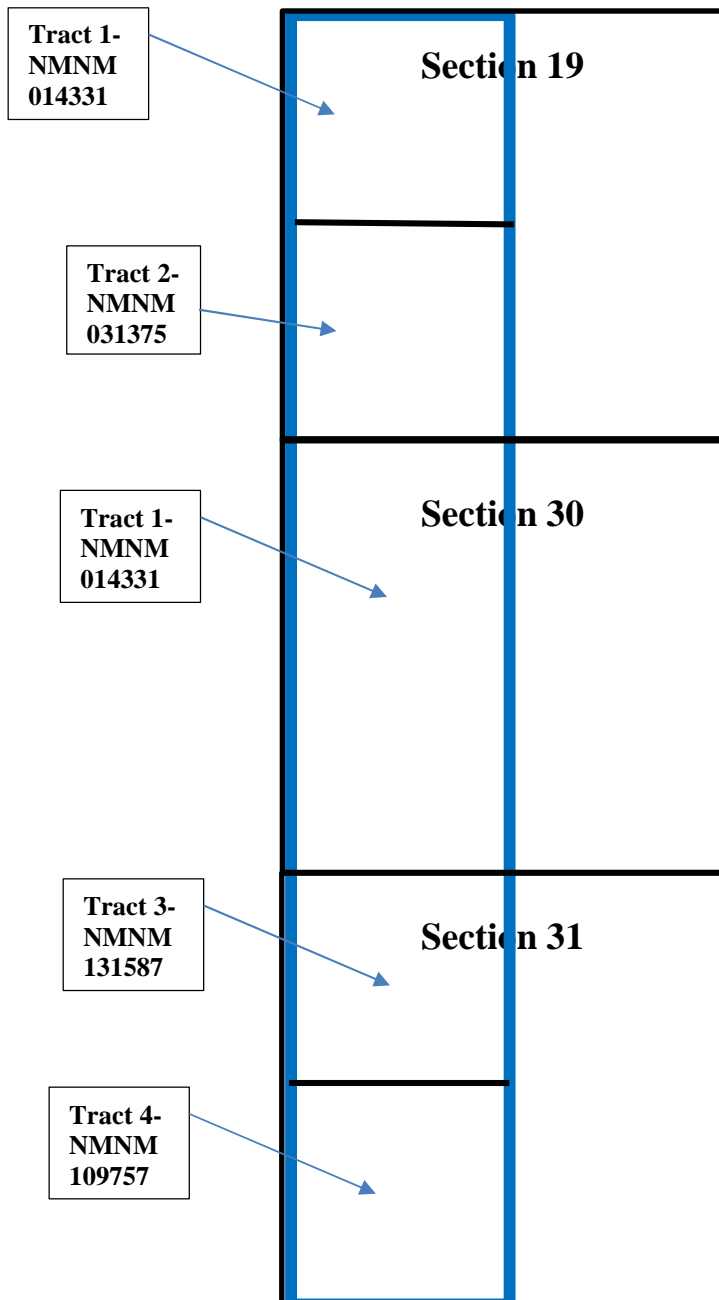
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EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated April 1, 2023.

Plat of communitized area covering **1002.32** acres in **the W/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

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EXHIBIT "B"

To Communitization Agreement Dated April 1, 2023 embracing the following described
land in **the W/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East**
N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 014331

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: Lots 1, 2 and E/2NW/4
Section 30: Lots 1 – 4 and E/2W/2

Number of Acres: 500.75

Current Lessee of Record: CONOCOPHILLIPS CO

Name of Working Interest Owners: OXY USA WTP LIMITED
PARTNERSHIP - 24.8550%
OXY USA INC. - 75.1450%

Tract No. 2

Lease Serial Number: NMNM 031375

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: Lots 3, 4 and E/2SW/4

Number of Acres: 166.85

Current Lessee of Record: CORDILLERA ENERGY PARTNERS II
LLC
PALADIN ENERGY CORP
FASKEN ACQUISITIONS 02 LTD
VINCERO RESOURCES LTD

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Name of Working Interest Owners: FASKEN ACQUISITIONS 02, LTD -
100%

Tract No. 3

Lease Serial Number: NMNM 131587

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: Lots 1, 2 and E/2NW/4

Number of Acres: 167.28

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 6.199285%
OXY Y-1 COMPANY - 93.800715%

Tract No. 4

Lease Serial Number: NMNM 109757

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: Lots 3, 4, E/2SW/4

Number of Acres: 167.44

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 100.0%

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Regal Lager 31 19 Fed Com 33H

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	500.75	49.959094899832400%
2	166.85	16.646380397477900%
2	167.28	16.689280868385300%
4	167.44	16.705243834304400%
Total	1,002.32	100.000%

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Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of May, 2025 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South, Range 32 East, N.M.P.M.**E/2 E/2 of Sections 19, 30 and 31, Lea County, New Mexico**

Containing **480.00** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

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2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is May 1, 2025, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

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successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.

Operator

By: _____
Operator/Attorney-in-Fact

Date

Regal Lager 31 19 Fed Com 4H

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 4H

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

OXY USA INC.

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**, a
Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 4H

OXY USA WTP LIMITED PARTNERSHIP

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20_____, by _____, ATTORNEY-IN-FACT of **OXY USA WTP LIMITED PARTNERSHIP**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 4H

OXY Y-1 COMPANY

Date

By: _____

Name: _____

Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)

)

COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY Y-1**
COMPANY, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

CONOCOPHILLIPS CO

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

CORDILLERA ENERGY PARTNERS II LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

FASKEN ACQUISITIONS 02 LTD

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

VINCERO RESOURCES LTD

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

CHI ENERGY INC

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

PALADIN ENERGY CORP

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

Regal Lager 31 19 Fed Com 4H

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated May 1, 2025

Plat of communitized area covering **480.00** acres in **the E/2 E/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Regal Lager 31 19 Fed Com 4H

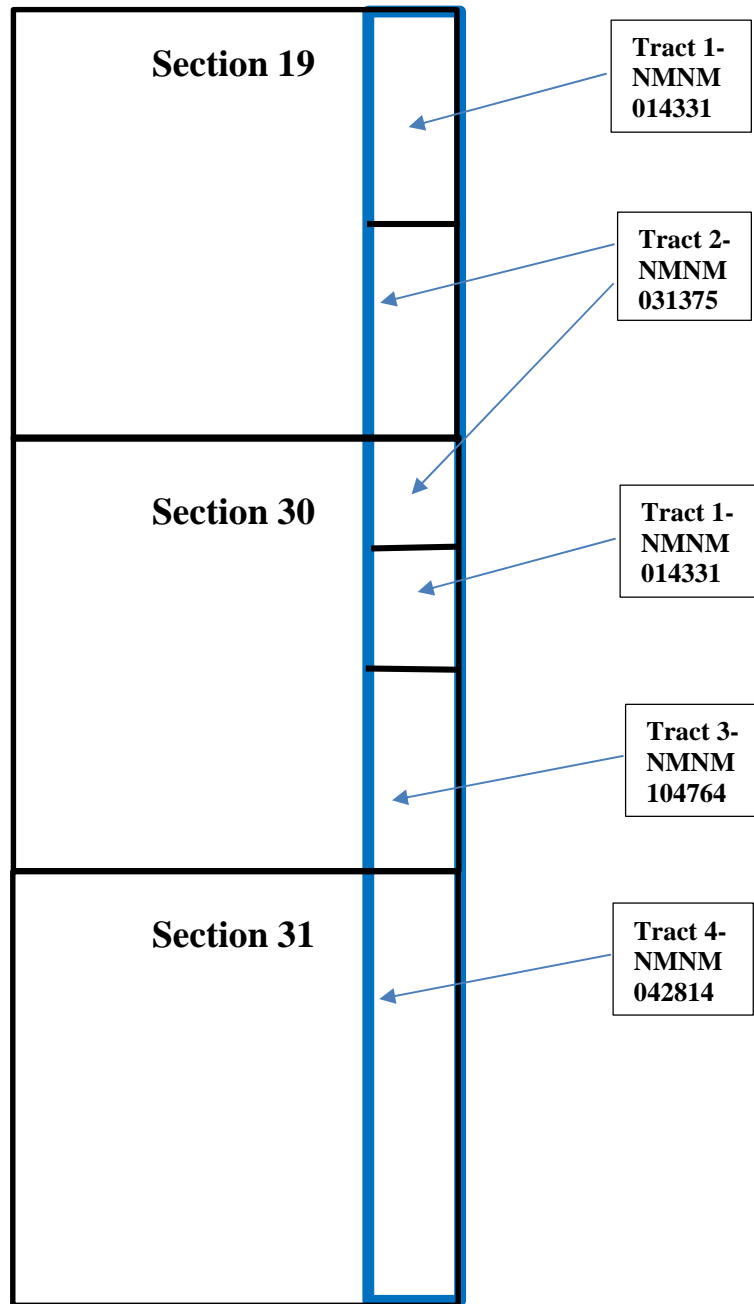


EXHIBIT “B”

To Communitization Agreement Dated May 1, 2025 embracing the following described land in **the E/2 E/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 014331

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: E/2 NE/4
Section 30: SE/4 NE/4

Number of Acres: 120.00

Current Lessee of Record: CONOCOPHILLIPS CO

Name of Working Interest Owners: OXY USA WTP LIMITED
PARTNERSHIP - 24.8550%
OXY USA INC. - 75.1450%

Tract No. 2

Lease Serial Number: NMNM 031375

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: E/2 SE/4
Section 30: NE/4 NE/4

Number of Acres: 120.00

Current Lessee of Record: CORDILLERA ENERGY PARTNERS II
LLC
PALADIN ENERGY CORP
FASKEN ACQUISITIONS 02 LTD
VINCERO RESOURCES LTD

Regal Lager 31 19 Fed Com 4H

Name of Working Interest Owners: FASKEN ACQUISITIONS 02, LTD - 100%

Tract No. 3

Lease Serial Number: NMNM 104764

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 30: E/2 SE/4

Number of Acres: 80.00

Current Lessee of Record: CHI ENERGY INC.

Name of Working Interest Owners: OXY USA INC. - 32.311504%
OXY Y-1 COMPANY - 66.179258%
OXY USA WTP LIMITED
PARTNERSHIP - 1.509238%

Tract No. 4

Lease Serial Number: NMNM 042814

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: E/2 E/2

Number of Acres: 160.00

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 100.0%

Regal Lager 31 19 Fed Com 4H

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120.00	25.0000%
2	120.00	25.0000%
3	80.00	16.6667%
4	160.00	33.3333%
Total	480.00	100.000%

Regal Lager 31 19 Fed Com 2H

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of May, 2025 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South, Range 32 East, N.M.P.M.**E/2 W/2 of Sections 19, 30 and 31, Lea County, New Mexico**

Containing **480.00** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

Regal Lager 31 19 Fed Com 2H

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is May 1, 2025, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

Regal Lager 31 19 Fed Com 2H

- successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.

Operator

Date

By: _____
Operator/Attorney-in-Fact

Regal Lager 31 19 Fed Com 2H

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 2H

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

OXY USA INC.

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY USA INC.**,
a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 2H

OXY USA WTP LIMITED PARTNERSHIP

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 20_____, by _____, ATTORNEY-IN-FACT of **OXY USA WTP LIMITED PARTNERSHIP**, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

Regal Lager 31 19 Fed Com 2H

OXY Y-1 COMPANY

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____
_____, 20____, by _____, ATTORNEY-IN-FACT of **OXY Y-1**
COMPANY, a New Mexico corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

CONOCOPHILLIPS CO

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

CORDILLERA ENERGY PARTNERS II LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

FASKEN ACQUISITIONS 02 LTD

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

VINCERO RESOURCES LTD

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

PALADIN ENERGY CORP

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20_____, by _____, as _____ of _____, a _____, on behalf of said _____.

Notary Public in and for the State of _____
 Notary's Printed Name: _____
 Notary's Commission Expires: _____

Regal Lager 31 19 Fed Com 2H

EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated May 1, 2025.

Plat of communitized area covering **480.00** acres in **the E/2 W/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Regal Lager 31 19 Fed Com 2H

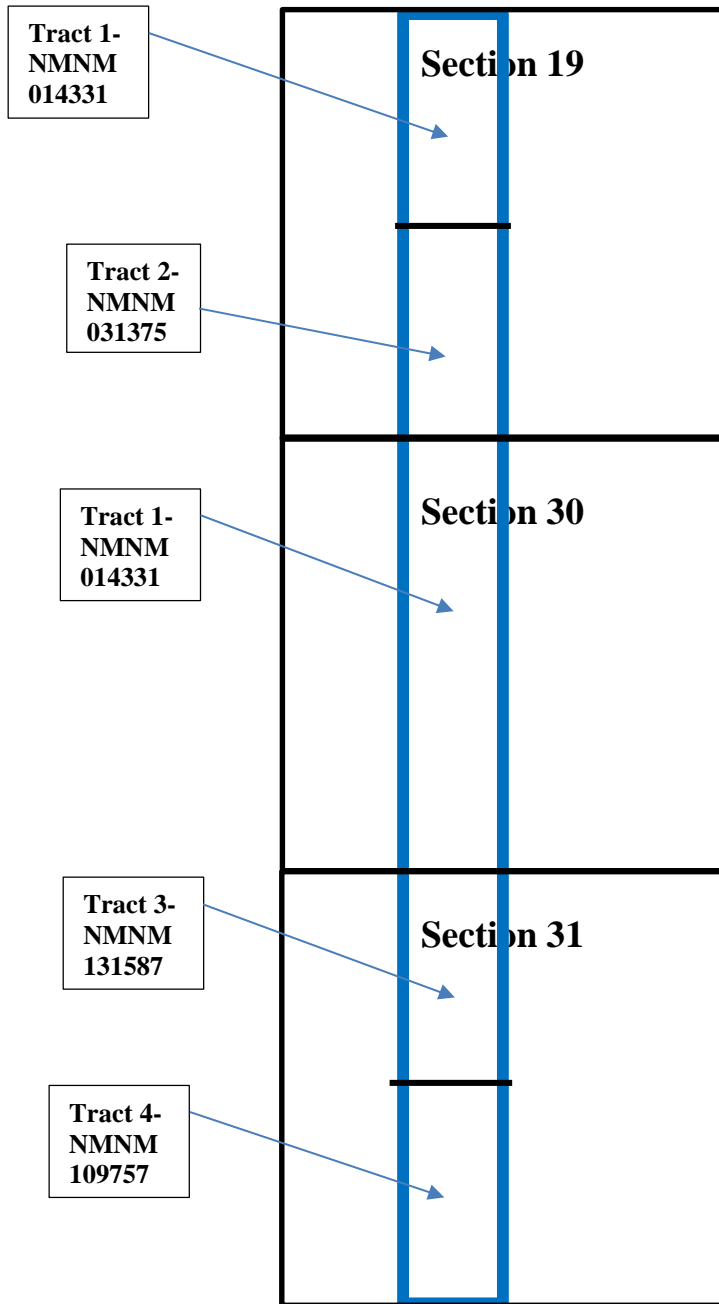


EXHIBIT “B”

To Communitization Agreement Dated May 1, 2025 embracing the following described land in **the E/2 W/2 of Sections 19, 30 and 31, Township 21 South- Range 32 East N.M.P.M., Lea County, New Mexico**

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 014331

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: E/2 NW/4
Section 30: E/2 W/2

Number of Acres: 240.00

Current Lessee of Record: CONOCOPHILLIPS CO

Name of Working Interest Owners: OXY USA WTP LIMITED
PARTNERSHIP - 24.8550%
OXY USA INC. - 75.1450%

Tract No. 2

Lease Serial Number: NMNM 031375

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 19: E/2 SW/4

Number of Acres: 80.00

Current Lessee of Record: CORDILLERA ENERGY PARTNERS II
LLC
PALADIN ENERGY CORP
FASKEN ACQUISITIONS 02 LTD
VINCERO RESOURCES LTD

Regal Lager 31 19 Fed Com 2H

Name of Working Interest Owners: FASKEN ACQUISITIONS 02, LTD - 100%

Tract No. 3

Lease Serial Number: NMNM 131587

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: E/2 NW/4

Number of Acres: 80.00

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 6.199285%
OXY Y-1 COMPANY - 93.800715%

Tract No. 4

Lease Serial Number: NMNM 109757

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M., Lea County, NM
Section 31: E/2 SW/4

Number of Acres: 80.00

Current Lessee of Record: OXY USA INC.

Name of Working Interest Owners: OXY USA INC. - 100.0%

Regal Lager 31 19 Fed Com 2H

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	240.00	50.0000%
2	80.00	16.6667%
2	80.00	16.6667%
4	80.00	16.6667%
Total	480.00	100.000%

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Fortier, Eric](#); [Musallam, Sandra C](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle Q](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-932
Date: Thursday, May 30, 2024 4:48:39 PM
Attachments: [PLC932 Order.pdf](#)

NMOCD has issued Administrative Order PLC-932 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-52491	Regal Lager 31 19 Federal Com #34H	E/2	19-21S-32E	98313
		E/2	30-21S-32E	
		E/2	31-21S-32E	
30-025-52492	Regal Lager 31 19 Federal Com #35H	E/2	19-21S-32E	98313
		E/2	30-21S-32E	
		E/2	31-21S-32E	
30-025-52493	Regal Lager 31 19 Federal Com #36H	E/2	19-21S-32E	98313
		E/2	30-21S-32E	
		E/2	31-21S-32E	
30-025-52488	Regal Lager 31 19 Federal Com #31H	W/2	19-21S-32E	98313
		W/2	30-21S-32E	
		W/2	31-21S-32E	
30-025-52489	Regal Lager 31 19 Federal Com #32H	W/2	19-21S-32E	98313
		W/2	30-21S-32E	
		W/2	31-21S-32E	
30-025-52490	Regal Lager 31 19 Federal Com #33H	W/2	19-21S-32E	98313
		W/2	30-21S-32E	
		W/2	31-21S-32E	
30-025-52620	Regal Lager 31 19 Federal Com #71H	W/2 W/2	19-21S-32E	5695
		W/2 W/2	30-21S-32E	
		W/2 W/2	31-21S-32E	
30-025-52513	Regal Lager 31 19 Federal Com #72H	E/2 W/2	19-21S-32E	5695
		E/2 W/2	30-21S-32E	
		E/2 W/2	31-21S-32E	
30-025-52514	Regal Lager 31 19 Federal Com #73H	W/2 E/2	19-21S-32E	5695
		W/2 E/2	30-21S-32E	
		W/2 E/2	31-21S-32E	
30-025-52515	Regal Lager 31 19 Federal Com #74H	E/2 E/2	19-21S-32E	5695
		E/2 E/2	30-21S-32E	
		E/2 E/2	31-21S-32E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
March 10, 2024
and ending with the issue dated
March 10, 2024.


Publisher

Sworn and subscribed to before me this
10th day of March 2024.


Business Manager

My commission expires

January 29, 2027

(Seal) **STATE OF NEW MEXICO**
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL	LEGAL
LEGAL NOTICE March 10, 2024	
<u>Notice of Application for Surface Commingling</u>	
OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit for oil production at the Lost Tank 5 Facility Train #2. The facility is located in Lea County in Section 5 in T22S-R32E. Wells going to this battery are located in Sections 19, 30, and 31 in T22S-R32E. Production is from the Bilbrey Basin; Bone Spring and WC-025 G-09 S213232A; UPR Wolfcamp pools.	
Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application.	
For questions pertaining to the application, please contact Eric Fortier at (713) 497-2203. #00288251	

67111848

00288251

TALENT ACQUISITION
OCCIDENTAL PERMIAN
5 GREENWAY PLAZA, STE 110
HOUSTON, TX 77046

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
REGAL LAGER	34H	3002552491	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	74H	3002552515	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	31H	3002552488	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	73H	3002552514	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	32H	3002552489	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	36H	3002552493	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	33H	3002552490	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	71H	3002552620	NMNM109757	NMNM109757	OXY USA
REGAL LAGER	35H	3002552492	NMNM131587	NMNM131587	OXY USA
REGAL LAGER	72H	3002552513	NMNM131587	NMNM131587	OXY USA

Notice of Intent

Sundry ID: 2785864

Type of Submission: Notice of Intent

Date Sundry Submitted: 04/18/2024

Date proposed operation will begin: 06/20/2024

Type of Action: Commingling (Surface) and Off-Lease Measurement

Time Sundry Submitted: 01:50

Procedure Description: OXY requests approval according to 43 CFR 3173.14(a)(1)(i) to commingle production at the Lost Tank 5 CPF Train #2. Train #2 has all leases/ CAs with the same proportion of federal fixed royalty rate of 12.5%. Commingling will not reduce the individual wells' production value or otherwise negatively affect the royalty revenue of the federal government. It is the most effective means of producing the reserves.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Regal_Lager_BLM_Submittal_v1_20240418134939.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: ERIC FORTIER**Signed on:** APR 18, 2024 01:50 PM**Name:** OXY USA INCORPORATED**Title:** REGULATORY ENGINEER**Street Address:** 5 GREENWAY PLAZA**City:** HOUSTON**State:** TX**Phone:** (713) 497-2203**Email address:** ERIC_FORTIER@OXY.COM**Field****Representative Name:****Street Address:****City:****State:****Zip:****Phone:****Email address:**

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY OXY USA, INC.**

ORDER NO. PLC-932

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Oxy USA, Inc. (“Applicant”) submitted a complete application to surface commingle the oil production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil production to less than if it had remained segregated.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
13. Commingling of oil production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a

description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The allocation of oil production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate

is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

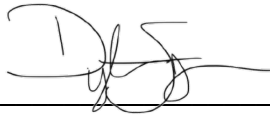
Applicant shall conduct a well test by separating and metering the oil production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil production from any pool, lease, or well reduces the value of the commingled oil production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 5/30/24

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-932**

Operator: **Oxy USA, Inc. (16696)**

Central Tank Battery: **Lost Tank 5 Central Processing Facility Train #2**

Central Tank Battery Location: **UL F, Section 5, Township 22 South, Range 32 East**

Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
BILBREY BASIN; BONE SPRING	5695
WC-025 G-09 S213232A; UPR WOLFCAMP	98313

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 106307077	W/2	19-21S-32E
	W/2	30-21S-32E
	W/2	31-21S-32E
NMNM 105552869 (014331)	N/2	19-21S-32E
	W/2, G H	20-21S-32E
NMNM 105469327 (031375)	S/2	19-21S-32E
	A B	30-21S-32E
NMNM 105522746 (104764)	SE/4	30-21S-32E
NMNM 105556238 (042814)	E/2	31-21S-32E
NMNM 105397864 (131587)	NW/4	31-21S-32E
NMNM 105548160 (109757)	SW/4	31-21S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-52491	Regal Lager 31 19 Federal Com #34H	E/2	19-21S-32E	98313
		E/2	30-21S-32E	
		E/2	31-21S-32E	
30-025-52492	Regal Lager 31 19 Federal Com #35H	E/2	19-21S-32E	98313
		E/2	30-21S-32E	
		E/2	31-21S-32E	
30-025-52493	Regal Lager 31 19 Federal Com #36H	E/2	19-21S-32E	98313
		E/2	30-21S-32E	
		E/2	31-21S-32E	
30-025-52488	Regal Lager 31 19 Federal Com #31H	W/2	19-21S-32E	98313
		W/2	30-21S-32E	
		W/2	31-21S-32E	
30-025-52489	Regal Lager 31 19 Federal Com #32H	W/2	19-21S-32E	98313
		W/2	30-21S-32E	
		W/2	31-21S-32E	

30-025-52490	Regal Lager 31 19 Federal Com #33H	W/2	19-21S-32E	98313
		W/2	30-21S-32E	
		W/2	31-21S-32E	
30-025-52620	Regal Lager 31 19 Federal Com #71H	W/2 W/2	19-21S-32E	5695
		W/2 W/2	30-21S-32E	
		W/2 W/2	31-21S-32E	
30-025-52513	Regal Lager 31 19 Federal Com #72H	E/2 W/2	19-21S-32E	5695
		E/2 W/2	30-21S-32E	
		E/2 W/2	31-21S-32E	
30-025-52514	Regal Lager 31 19 Federal Com #73H	W/2 E/2	19-21S-32E	5695
		W/2 E/2	30-21S-32E	
		W/2 E/2	31-21S-32E	
30-025-52515	Regal Lager 31 19 Federal Com #74H	E/2 E/2	19-21S-32E	5695
		E/2 E/2	30-21S-32E	
		E/2 E/2	31-21S-32E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-932**
Operator: **Oxy USA, Inc. (16696)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMNM 106317773	E/2	19-21S-32E	960	A
	E/2	30-21S-32E		
	E/2	31-21S-32E		
CA Bone Spring NMNM	W/2 W/2	19-21S-32E	522.32	B
	W/2 W/2	30-21S-32E		
	W/2 W/2	31-21S-32E		
CA Bone Spring NMNM	E/2 W/2	19-21S-32E	480	C
	E/2 W/2	30-21S-32E		
	E/2 W/2	31-21S-32E		
CA Bone Spring NMNM	W/2 E/2	19-21S-32E	480	D
	W/2 E/2	30-21S-32E		
	W/2 E/2	31-21S-32E		
CA Bone Spring NMNM	E/2 E/2	19-21S-32E	480	E
	E/2 E/2	30-21S-32E		
	E/2 E/2	31-21S-32E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105552869 (014331)	NE/4	19-21S-32E	240	A
	G H	30-21S-32E		
NMNM 105469327 (031375)	SE/4	19-21S-32E	240	A
	A B	30-21S-32E		
NMNM 105522746 (104764)	SE/4	30-21S-32E	160	A
NMNM 105556238 (042814)	E/2	31-21S-32E	320	A
NMNM 105552869 (014331)	D E	19-21S-32E	260.75	B
	W/2 W/2	30-21S-32E		
NMNM 105469327 (031375)	L M	19-21S-32E	86.85	B
NMNM 105397864 (131587)	D E	31-21S-32E	87.28	B
NMNM 105548160 (109757)	L M	31-21S-32E	87.44	B
NMNM 105552869 (014331)	C F	19-21S-32E	240	C
	E/2 W/2	30-21S-32E		
NMNM 105469327 (031375)	K N	19-21S-32E	80	C
NMNM 105397864 (131587)	C F	31-21S-32E	80	C
NMNM 105548160 (109757)	K N	31-21S-32E	80	C
NMNM 105552869 (014331)	B G	19-21S-32E	120	D
	G	30-21S-32E		

NMNM 105469327 (031375)	J O B	19-21S-32E 30-21S-32E	120	D
NMNM 105522746 (104764)	J O	30-21S-32E	80	D
NMNM 105556238 (042814)	W/2 E/2	31-21S-32E	160	D
NMNM 105552869 (014331)	A H H	19-21S-32E 30-21S-32E	120	E
NMNM 105469327 (031375)	I P A	19-21S-32E 30-21S-32E	120	E
NMNM 105522746 (104764)	I P	30-21S-32E	80	E
NMNM 105556238 (042814)	E/2 E/2	31-21S-32E	160	E

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 323401

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 323401
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/30/2024